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Decision Folder

BEFORE THE

MISSION

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

Arizona Corporation Commission

DOCKETED

DEC 14 1999

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In the matter of)

A SUBSTANTIVE POLICY STATEMENT)
REGARDING ELECTRONIC)
PUBLICATION FORMAT OF)
RECOGNIZED MANUALS OF)
SECURITIES)

DOCKET NO. S-00000A-99-0555

DECISION NO. 62146ORDER

Open Meeting
December 7 and 8, 1999
Phoenix, AZ

BY THE COMMISSION:

INTRODUCTION

The Securities Division (the "Division") of the Arizona Corporation Commission (the "Commission") has forwarded to the Commission a proposal recommending that the Commission issue a substantive policy statement regarding electronic publication formats of recognized manuals of securities designated by the Commission in A.A.C. R14-4-114 ("rule 114").

FINDINGS

1. Under A.R.S. § 44-1844(A)(11) a securities transaction may be exempt from registration if, in addition to other requirements, certain information regarding the issuer is published in a "recognized manual of securities" designated by the Commission.

2. In rule 114 the Commission has designated seven publications as "recognized manuals of securities."

1 3. In addition to traditional printing, all but one of the manuals are also published on
2 CD-ROM and by electronic dissemination over the Internet. The information available through
3 electronic means is identical to the printed version.

4 4. The Division has recommended that the Commission issue a substantive policy
5 statement that clarifies the Commission's approach to the electronically published formats of the
6 recognized manuals of securities designated in rule 114. Specifically the Division recommends that
7 the Commission acknowledge that publication of a recognized manual of securities includes
8 electronic publication formats, including CD-ROM and electronic dissemination over the Internet.

9 5. The Division has recommended that a notice of agency substantive policy statement
10 form be forwarded to the secretary of state for publication in the Arizona Administrative Register
11 to notice the new policy statement.

12
13 CONCLUSION OF LAW

14 The Commission has the authority to issue the proposed substantive policy statement under
15 the Arizona Constitution Article XV § 6 and A.R.S. §§ 41-1091 and 44-1821.

16
17 ORDER

18
19 THEREFORE IT IS ORDERED that the substantive policy statement attached to this order
20 as Exhibit A is adopted as the Commission's approach to or opinion of the requirements of A.R.S.
21 § 44-1844(A)(11) and A.A.C. R14-4-114.

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1 IT IS FURTHER ORDERED that the Division forward a notice substantive policy
2 statement to the office of the secretary of state for publication in the Arizona Administrative
3 Register.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

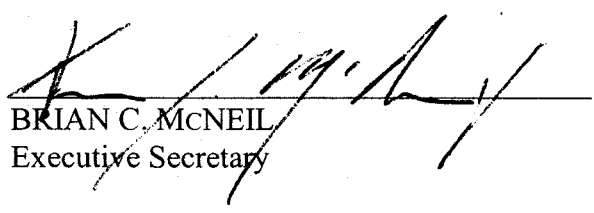
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6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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9 
10 CHAIRMAN


11 COMMISSIONER


12 COMMISSIONER

13 IN WITNESS WHEREOF, I, Brian C. McNeil,
14 Executive Secretary of the Arizona Corporation
15 Commission, have hereunto set my hand and caused the
16 official seal of the Commission to be affixed at the
17 Capitol, in the city of Phoenix, this 14th day of
18 December, 1999.

19 
20 BRIAN C. McNEIL
21 Executive Secretary

22 DISSENT

23 (kvm)

24 This document is available in alternative formats by contacting Cynthia Mercurio-Sandoval, ADA
25 Coordinator, voice phone number 602/542-0838, E-mail csandoval@cc.state.az.us.

26 N:\COUNSEL\RULES\Policy Statements-1999\Rule 114 electronic versions\order.doc

EXHIBIT A

Commission Policy Regarding Electronic Publication of Recognized Manuals of Securities Designated in A.A.C. R14-4-114.

In Section R14-4-114 of the Arizona Administrative Code, the Commission has designated several publications as "recognized manuals of securities" as directed by the legislature in A.R.S. § 44-1844(A)(11). For the purposes of A.A.C. R14-4-114, a publication includes electronic publication formats that are as readily available to the general public as the printed version, including CD-ROM and electronic dissemination over the Internet.